



News Flash – The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program is scheduled to begin in nine competitive bidding areas (CBAs) on January 1, 2011. Referral agents located in CBAs who prescribe DMEPOS for beneficiaries or refer beneficiaries to specific suppliers will need to be aware of which suppliers in the area are contract suppliers as well as other important referring information. Referral agents include such entities as Medicare enrolled providers, physicians, treating practitioners, discharge planners, social workers, and pharmacists who refer beneficiaries for services in a CBA. More information for referral agents can be found in the new Medicare Learning Network® (MLN) fact sheet “The DMEPOS Competitive Bidding Program: Fact Sheet for Referral Agents” located at http://www.cms.gov/DMEPOSCompetitiveBid/04_Educational_Resources.asp on the CMS website. This fact sheet is also available to order in hardcopy, free of charge. To order your copy, please visit the MLN homepage at <http://www.cms.gov/mlnngeninfo> on the CMS website.

MLN Matters® Number: MM7225

Related Change Request (CR) #: 7225

Related CR Release Date: November 19, 2010

Effective Date: January 1, 2011

Related CR Transmittal #: R2100CP

Implementation Date: January 3, 2011

Reasonable Charge Update for 2011 for Splints, Casts, and Certain Intraocular Lenses

Provider Types Affected

This article is for physicians, providers, and suppliers billing Medicare contractors (carriers, Fiscal Intermediaries, (FIs), Medicare Administrative Contractors (MACs), and Durable Medical Equipment Medicare Administrative Contractors (DME MACs)) for splints, casts, dialysis supplies, dialysis equipment, and certain intraocular lenses.

Provider Action Needed

Change Request (CR) 7225, from which this article is taken, instructs your carriers, FIs, and MACs how to calculate reasonable charges for the payment of claims for splints, casts, and intraocular lenses furnished in calendar year 2011. Make sure your billing staff is aware of these changes.

Disclaimer

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Background

Payment continues to be made on a reasonable charge basis for splints, casts, and for intraocular lenses implanted (codes V2630, V2631, and V2632) in a physician's office. For splints and casts, the Q-codes are to be used when supplies are indicated for cast and splint purposes. This payment is in addition to the payment made under the Medicare physician fee schedule for the procedure for applying the splint or cast.

Beginning January 1, 2011, reasonable charges will no longer be calculated for payment of home dialysis supplies and equipment for Method II End Stage Renal Disease (ESRD) patients. Section 153 of Medicare Improvements for Patients and Providers Act (MIPPA) amended section 1881(b) of the Act to require the implementation of an ESRD bundled payment system effective January 1, 2011. The ESRD prospective payment will provide an all-inclusive single payment to ESRD facilities (i.e. hospital-based providers of services and renal dialysis facilities) that will cover all the resources used in providing outpatient dialysis treatment, including dialysis supplies and equipment that are currently separately payable to Method II DME suppliers.

CR 7225 provides instructions regarding the calculation of reasonable charges for payment of claims for splints, casts, and intraocular lenses furnished in calendar year 2011. Payment on a reasonable charge basis is required for these items by regulations contained in 42 CFR 405.501. The Inflation Indexed Charge (IIC) is calculated using the lowest of the reasonable charge screens from the previous year updated by an inflation adjustment factor or the percentage change in the Consumer Price Index (CPI) for all urban consumers (United States city average) or CPI-U for the 12-month period ending with June of 2010. The 2011 payment limits for splints and casts will be based on the 2010 limits that were announced in CR 6691 last year, increased by 1.1 percent, the percentage change in the CPI-U for the 12-month period ending June 30, 2010. The IIC update factor for 2011 is 1.1 percent.

A list of the 2011 payment limits for splints and casts are listed in the table that follows.

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Code	Payment Limit
A4565	\$7.84
Q4001	\$44.60
Q4002	\$168.58
Q4003	\$32.04
Q4004	\$110.92
Q4005	\$11.81
Q4006	\$26.62
Q4007	\$5.92
Q4008	\$13.31
Q4009	\$7.89
Q4010	\$17.75
Q4011	\$3.94
Q4012	\$8.88
Q4013	\$14.36
Q4014	\$24.21
Q4015	\$7.18
Q4016	\$12.10
Q4017	\$8.30
Q4018	\$13.23
Q4019	\$4.16
Q4020	\$6.62
Q4021	\$6.14
Q4022	\$11.08
Q4023	\$3.09
Q4024	\$5.54
Q4025	\$34.44
Q4026	\$107.54
Q4027	\$17.23
Q4028	\$53.78
Q4029	\$26.34
Q4030	\$69.33

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Code	Payment Limit
Q4031	\$13.17
Q4032	\$34.66
Q4033	\$24.57
Q4034	\$61.10
Q4035	\$12.28
Q4036	\$30.56
Q4037	\$14.99
Q4038	\$37.55
Q4039	\$7.51
Q4040	\$18.76
Q4041	\$18.22
Q4042	\$31.11
Q4043	\$9.12
Q4044	\$15.56
Q4045	\$10.58
Q4046	\$17.02
Q4047	\$5.28
Q4048	\$8.51
Q4049	\$1.93

Additional Information

The official instruction, CR 7225 issued to your carrier, FI, A/B MAC, and DME/MAC regarding this change may be viewed at <http://www.cms.gov/Transmittals/downloads/R2100CP.pdf> on the CMS website.

If you have any questions, please contact your carrier, FI, A/B MAC, or DME MAC at their toll-free number, which may be found at <http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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